

Mr. SMITH of Michigan. Mr. Speaker, reports today indicate that the Office of Management and Budget is estimating that there will be a \$4.5 trillion surplus over the next 15 years. I think that is a tribute to the efforts of this Chamber, of the Senate, and of the President to work at reducing the expenditures of the Federal Government.

It is also a tribute to the tremendous market-oriented system of free enterprise that we have in this country, where business has decided to expand and offer more job opportunities which has resulted in a lower unemployment rate in this country.

I am particularly interested that reports show that the President is suggesting that \$2.8 trillion be dedicated to social security. The question over the next several months is whether or not the President is willing to offer this Congress a proposal that can be scored by the Social Security Administration and their actuaries as keeping social security solvent.

It has been all too easy in the past for politicians in the House of Representatives and in the Senate and the President to tweak at the fringes while indicating that we have to save social security. The fact that there have been surpluses coming in from the social security tax indicates that American workers are being overtaxed for social security benefits and contributions to the theoretical trust fund. I say "theoretical trust fund" because it really does not exist.

When it becomes time sometime in the area between 2007 and 2013 that there are less revenues coming in from social security taxes than is needed to pay benefits, the Federal Government has three choices: We can borrow more from the public, we can reduce existing expenditures to come up with the additional money needed to pay benefits, or we can increase taxes on workers.

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In the past, many times when there is shortage of money, we have simply increased the tax on American workers. Since 1971, Mr. Speaker, taxes, social security taxes, on working Americans have been increased 36 times. More often than once a year we have increased those taxes.

Now I want to come back to the word "surplus." The surplus coming in from the Social Security Trust Fund, in certain respects, can be considered taxing those workers for more than is necessary to meet the benefits. So I think there is merit in saying to the American workers, we are going to give some of that money back to them, that they have been paying more than what is needed to pay those benefits.

I think when the President suggests that some of those monies be invested in the capital market, that is consistent with what many of us have been suggesting for the last several years; that we need to increase the return on the investment from the tax money coming in from Social Security. We

have a great opportunity, Mr. Speaker, to move ahead with truly saving social security. It should not be just verbiage that is politically popular, it should make tough decisions to come up with a social security bill that can be scored by the actuaries to keep social security solvent over this next 100 years.

Mr. Speaker, I urge my colleagues to look at the serious matters of social security and of medicare and to take this opportunity of surpluses coming in to this government as an opportunity to fix those two important programs.

#### TIME IS RIGHT TO SAVE SOCIAL SECURITY TRUST FUND

The SPEAKER pro tempore (Mr. LAHOOD). Under a previous order of the House, the gentleman from California (Mr. ROYCE) is recognized for 5 minutes.

Mr. ROYCE. Mr. Speaker, the time is now to save the Social Security Trust Fund. And I say that because it has been 30 years that the Federal Government has run chronic budget deficits, until last year. We were looking, 4 years ago, at budget deficits which were \$200 billion a year, and we anticipated that they would go out as far as the eye could see. But, instead, we took some actions in the Congress. We slowed the rate of growth of government spending and we reformed welfare.

We reformed welfare, and close to 40 percent of the people on welfare are now in working jobs. When we slowed the rate of government growth and brought the revenues and expenditures into balance and eliminated much of the wasteful government spending, we found that the interest rates dropped by 2 full percentage points, and this has helped the economy.

When we instituted the cut in the capital gains tax to 20 percent and reduced that capital gains tax, we found that that further stimulated the economy. As a matter of fact, it brought in more in revenue than we had raised off the capital gains tax, a higher tax, the prior year. So we have cut taxes.

We have instituted a \$500 per child tax credit. At the same time, we have balanced the budget so that now we have a surplus instead of a deficit.

So what should we do with that surplus? My bill, H.R. 160, would designate 90 percent of the total budget surplus to buy marketable U.S. securities that are out on the market. They are interest bearing.

Right now what we have in that trust fund is \$757 billion worth of IOUs, three-quarters of a trillion dollars of IOUs that we print up and put in a drawer, in a file folder, and we say this is an asset. Well, how about replacing those IOUs with marketable U.S. securities, a true asset, which is interest bearing? And we can do this if we show the same discipline that we showed over the last 4 years as we eliminated that budget deficit.

That is why I am asking my colleagues to cosponsor this bill. I believe

that not a dime of America's social security savings should be used for anything except social security, and that is what this bill will ensure. It will ensure that within the next 10 years the three-quarters of a trillion dollars owed to social security will be replaced with these marketable interest-bearing securities.

I also believe that as we look at the projections of \$4.5 trillion in surpluses over the next 15 years, it will do us little good to take credit for what we have done in terms of balancing the budget and reducing expenditures if we simply return to the old practice of tax and spend, not putting in place a plan that is dedicated to setting aside money year by year, by statute, with a program which will, by 2013, have refunded this money.

Now clearly this is not the only challenge that social security faces, this three-quarters of a trillion dollar debt that has been borrowed out of that trust fund. That is not the only challenge, because we as a society have seen demographic shifts. We know that we used to have more people working for every person who is retired. We used to have four people per family, and now we have two people per family, and that means that the number of people that are working relative to the number of people who are retired are shifting from four-to-one to two-to-one.

Then we have a second problem. It is not really a problem. It is something actually we should feel proud about. But when social security came into being, people lived to 68 years of age, and then it went to 78, and then 88. And who knows what the future will bring? But one thing we do know, we cannot continue to borrow out of the Social Security Trust Fund and not have a plan to take care of the fact that a larger and larger percentage of our society are going to be seniors who are living longer and are going to be needing to depend on that social security.

So, yes, there are other long-term changes we need to make in the program. But as we begin to plan for those long-term changes, it is absolutely essential that we dig ourselves out of the hole that we have put ourselves in over the last 30 years and replenish the account, starting this year. And we can do it with H.R. 160. And that is why I urge my colleagues, please cosponsor this bill. Let us not just have the rhetoric, let us have a plan in place that starts today, and over the next 10 years replenishes that trust fund.

#### AMERICA MUST ENSURE THAT GENOCIDE IS STOPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. HOYER) is recognized for 5 minutes.

Mr. HOYER. Mr. Speaker, I rise with a combination of deep sorrow and great anger. Numerous times on the floor of this House I have risen and talked